

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

<b>MONARCH STEEL COMPANY, INC.,</b>	)	<b>CASE NO. 1:17 CV 17</b>
	)	
<b>Plaintiff,</b>	)	
	)	
<b>v.</b>	)	<b>JUDGE DONALD C. NUGENT</b>
	)	
	)	<b>MEMORANDUM OPINION</b>
<b>VERSA CAPITAL MGMT, LLC, et al.,</b>	)	<b><u>AND ORDER</u></b>
	)	
<b>Defendants.</b>	)	

This matter is before the Court on the Motion to Reinstate and to File Second Amended Complaint and for Sanctions Against Versa (Docket #62), and the Motion Requesting the Court Order Versa to Show Cause Why It Not Be Found in Contempt of Court (Docket #63), filed by Plaintiff, Monarch Steel Company, Inc. (“Monarch”).

Monarch’s claims in this Court were the result of its inability to collect on a State Court Judgment against Republic Storage Systems, LLC (“Republic”)<sup>1</sup> based on what it alleges was a conspiracy – involving Defendant, Versa Capital Management, LLC (“Versa”) and others – to fraudulently transfer the assets of Republic to the detriment of Republic’s creditors. Monarch initially filed its Complaint in this case on December 1, 2016 in the Cuyahoga County Court of Common Pleas, Case No. CV 16 872562. On January 4, 2017, Defendant, Salus Capital, filed a Notice of Removal with this Court. (Docket #1.) Monarch filed a First Amended Complaint on

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<sup>1</sup>

Monarch incorrectly refers to Republic Storage Systems, LLC as “Republic Steel Services, LLC” in its Motion to Reinstate.

February 9, 2017. (Docket #26.)

On June 13, 2017, Defendants Republic and Buckeye RSS, LLC, filed for bankruptcy relief in the United States Bankruptcy Court for the District of Delaware. Monarch is a named creditor in the bankruptcy proceeding, along with hundreds of others. Pursuant to 11 U.S.C. § 362, the bankruptcy filings resulted in an automatic stay of Monarch's lawsuit in this Court and the lawsuit was dismissed as a result. There is no indication that Monarch has requested the Bankruptcy Court grant it relief from the stay; the Bankruptcy Trustee now has the exclusive right to bring fraudulent transfer claims on behalf of all creditors; and, once the bankruptcy was filed, Monarch lost standing to bring fraudulent transfer or alter ego claims against third-party non-debtors. *Lincoln Elec. Co. v. Manahan*, Case No. 1:10 CV 724, 2011 U.S. Dist. LEXIS 89169 (N.D. Ohio Aug. 11, 2011). Accordingly, Monarch's Motion to Reinstate and File Second Amended Complaint (Docket #62) is DENIED.

In light of the automatic stay and dismissal, Monarch's Motion Requesting the Court Order Versa to Show Cause Why It Not Be Found in Contempt of Court (Docket #63) is hereby DENIED AS MOOT.

IT IS SO ORDERED.

s/Donald C. Nugent  
DONALD C. NUGENT  
United States District Judge

DATED: August 9, 2017